

## Methods and Standards for Establishing Payment Rates for Inpatient Hospital Care

### 37. Iowa State-Owned Teaching Hospital Graduate Medical Education Supplemental Payments

This section of the state plan contains the provisions for making supplemental Medicaid payments to recognize the additional direct and indirect costs incurred by Iowa state-owned hospitals with approved graduate medical education (GME) programs.

In addition to payments from the Graduate Medical Education fund under section 29, payment will be made to Iowa hospitals as follows:

#### A. Qualifying Criteria

Iowa-state owned hospitals that participate in the Medicaid program are eligible for additional reimbursement related to the provision of GME activities. To qualify for these additional payments, the hospital must meet the following criteria:

1. Be eligible to receive GME payments from the Medicare program (Title XVIII of the Social Security Act) under provision of 42 C.F.R. §413.75.
2. Have more than 500 beds
3. Have eight or more distinct residency specialty or subspecialty programs recognized by the American College of Graduate Medical Education (ACGME) that participate in the Medicaid program.

#### B. Direct Graduate Medical Education Definitions

1. Direct Graduate Medical Education Cost – is the Medicaid allowable inpatient direct graduate medical education cost as reported on CMS form 2552, Hospital Cost Report; worksheet B, part I, line 21, column 1, and line 22, column 22.
2. Medicaid Managed Care Patient Load – is the ratio of Medicaid Managed Care inpatient days to total hospital inpatient days. This ratio is determined by the following; Medicaid Managed Care inpatient days as reported on CMS form 2552, worksheet S-3, part I, lines 2, 3, and 4, column 7 is divided by the hospital's total inpatient days, as reported on worksheet S-3, part I, lines 14, 16, and 32, column 8. Medicaid Managed Care inpatient days and total inpatient days include psychiatric and labor/delivery.

#### C. Methodology for Determining Direct Graduate Medical Education Payments

The hospitals that qualify for GME payments will have their hospital specific payment amount determined as follows:

1. The current year direct graduate medical education cost is multiplied by the Medicaid Managed Care Patient Load

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2. Subtract payments from the Graduate Medical Education Fund under section 29(b) from the results in (1.) of this subsection.

**D. Indirect Graduate Medical Education Definitions**

1. Current year allowable FTEs – is the number of full-time equivalent (FTE) Allopathic & Osteopathic Program interns and residents as reported on CMS form 2552, worksheet E, part A, line 10, column 1 plus the number of FTE Dental & Podiatric Program interns and residents as reported on CMS form 2552, worksheet E, part A, line 11, column 1.
2. Bed Days Available – is the total number of bed days available as reported on CMS form 2552, worksheet E, part A, line 4, column 1.

**E. Methodology for Determining Indirect Graduate Medical Education Payments**

The hospitals that qualify for GME payments will have their hospital specific payment amount determined as follows:

1. Calculate the hospital's ratio of interns and residents to beds (IRB). Divide the number of current year allowable FTEs by Bed Days Available.
2. Add 1.00 to the results in (1.) of this subsection.
3. The results in (2.) of this subsection raised to the 0.405 power.
4. Subtract 1.00 from the results in (3.) of this subsection.
5. Multiply the results in (4.) of this subsection by 1.35.
6. Multiply the results in (5.) of this subsection by the hospital's Medicaid Managed Care inpatient payments.
7. Subtract payments from the Graduate Medical Education Fund under section 29(e) from (6.) of this subsection.

**F. Interim Payment**

The qualifying hospital will be paid monthly interim direct and indirect medical education payments. The purpose of the interim payments is to provide a monthly payment of the approximate annual qualifying hospital's Medicaid direct and indirect graduate medical education costs. A computation to establishing a monthly interim payment will be performed annually at the start of each state fiscal year and in a manner consistent with the instructions below.

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1. The monthly interim direct and indirect graduate medical education payments will be determined using data submitted by the qualifying hospital and most current CMS Form 2552 on file as of July 1 of each state fiscal year.
2. Using data and CMS Form 2552, from (1.) in this subsection, determine the annual cost of direct graduate medical education cost using the formula in subsection (C.)
3. Using data and CMS Form 2552, from (1.) in this subsection, determine the annual cost of indirect graduate medical education cost using the formula in subsection (E.)
4. Divide the results of (2.) and (3.) of this subsection, by twelve.
5. The interim payments will be reconciled to the qualifying hospital's filed CMS Form 2552, from the year, in which the interim payments were made. If, at the end of the interim reconciliation process, it is determined the hospital received an overpayment, the overpayment will be recouped by the Department. If, at the end of the interim reconciliation process, it is determined the hospital received an underpayment, the underpayment will be paid to the qualifying hospital.